

RECORDATION NO. 25578 FILED

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MAY 11 '05 4-12 PM

SURFACE TRANSPORTATION BOARD

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

May 11, 2005

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of an Memorandum of Head Lease, dated as of May 11, 2005, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Head Lessor: Lloyds TSB Equipment
Leasing (No. 5) Limited
C/o Lloyds TSB Leasing
25 Gresham Street
London EC2V 7HN
England

Head Lessee: North America Rail Leasing #2 LLC
(d/b/a Babcock & Brown Rail Leasing)
c/o Babcock & Brown LP
1 Dag Hammarskjold Plaza
885 Second Avenue
49th Floor
New York, NY 10017

Mr. Vernon A. Williams
May 11, 2005
Page Two

A description of the railroad equipment covered by the enclosed document is:

240 coal hoppers within the series COMX 9001 – 9245.
104 sugar cars within the series CMO 10010 – 10289.
13 coal hoppers CHTT 503554 – 503566, inclusive.
73 coal gondolas CHTT 503481 – 503553, inclusive.
150 centerbeam railcars AOK 29000 – 29149, inclusive.

A short summary of the document to appear in the index follows:

Memorandum of Head Lease

Also enclosed is a check in the amount of \$32.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed documents to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm
Enclosures

MAY 11 '05 4-12 PM

SURFACE TRANSPORTATION BOARD

EXECUTION VERSION

MEMORANDUM OF HEAD LEASE

THIS MEMORANDUM OF HEAD LEASE, dated as of this 11th day of May 2005, made by Lloyds TSB Equipment Leasing (No. 5) Limited, a limited liability company incorporated under the laws of England and Wales (the "Head Lessor") and North America Rail Leasing #2 LLC (d/b/a Babcock & Brown Rail Leasing), a Delaware limited liability company (the "Head Lessee" and, together with the Head Lessor, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Head Lessor and the Head Lessee entered into that certain Master Railcar Head Lease Agreement (COMBI I) dated as of December 17, 2004 (as amended, supplemented and modified, the "Head Lease"), as further supplemented by Supplement No. 12 to Master Railcar Head Lease (COMBI I) dated as of May 11, 2005 covering the equipment listed on Schedule A hereto (the "Equipment");


WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Head Lease, and the respective interests therein of the Parties, including, but not limited to, the leasehold interest of the Head Lessee in the Equipment, and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date first above written.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, by this instrument the Head Lessor hereby leases and confirms the lease of the Equipment to the Head Lessee in accordance with the terms and conditions of the Head Lease, and the Head Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this instrument has been duly executed by the Parties
hereto as of the date first above written.

NORTH AMERICA RAIL LEASING #2 LLC
(d/b/a BABCOCK & BROWN RAIL LEASING),
as the Head Lessee

By: 
Name: Victoria McManus
Title: President

LLOYDS TSB EQUIPMENT LEASING (NO. 5)
LIMITED, as the Head Lessor


By: _____
Name:
Title:

IN WITNESS WHEREOF, this instrument has been duly executed by the Parties hereto as of the date first above written.

NORTH AMERICA RAIL LEASING #2 LLC
(d/b/a BABCOCK & BROWN RAIL LEASING),
as the Head Lessee

By: _____
Name:
Title:

LLOYDS TSB EQUIPMENT LEASING (NO. 5)
LIMITED, as the Head Lessor

By: 
Name: Richard H. [unclear]
Title: Attorney in Fact

MEMO OF HEAD LEASE

State of New York)
)
County of New York)

On this, the 11th day of May, 2005, before me, a Notary Public in and for said County and State, personally appeared Victoria McManus, the President of NORTH AMERICA RAIL LEASING #2 LLC (d/b/a BABCOCK & BROWN RAIL LEASING), who acknowledged himself/herself to be a duly authorized officer of NORTH AMERICA RAIL LEASING #2 LLC (d/b/a BABCOCK & BROWN RAIL LEASING), and that, as such officer, being authorized to do so, she executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name: Karen A. Houlihan
Notary Public

My Commission Expires: _____

Residing in: _____

KAREN A. HOULIHAN
Notary Public, State of New York
No. 01HO6051904
Qualified in New York County
Commission Expires December 4, 2007

SCHEDULE A

Equipment

<u>Lessee</u>	<u>No of Units</u>	<u>Unit Type</u>	<u>Reporting Marks</u>	<u>Casualty Marks</u>
Exelon Generation Company LLC	240	Coal Hoppers	COMX 9001-9245, inclusive	COMX 9062, 9108, 9199, 9209 and 9222
Union Pacific Railroad Company #1	104	Sugar Cars	CMO 10010, 10017, 10069, 10072, 10075, 10101, 10108, 10109, 10119, 10171, 10174, 10175, 10178, and 10199- 10289, inclusive.	None
Union Pacific Railroad Company #2	13	Coal Hoppers	CHTT 503554- 503566, inclusive.	None
Union Pacific Railroad Company #3	73	Coal Gondolas	CHTT 503481- 503553, inclusive.	None
BC Rail Partnership	150	Centerbeams	AOK 29000-29149, inclusive	None